

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 241 - HB 330**

March 8, 2021

**SUMMARY OF BILL:** Increases, from 30 to 35 years, the maximum time period during which state sales tax collections are allocated to border regions tourist developments districts (BRTDD).

**ESTIMATED FISCAL IMPACT:**

**Foregone State Revenue – Exceeds \$546,100/FY42-43**

**Exceeds \$11,344,900/Each Year FY43-44 through FY46-47**

**Exceeds \$10,798,700/FY47-48**

**Other Fiscal Impact – Local revenue loss avoidance is estimated to exceed \$546,146 for Kingsport for each FY42-43 through FY46-47, exceed \$2,931,294 for East Ridge for each FY43-44 through FY47-48, and exceed \$7,867,418 for Bristol for each FY43-44 through FY47-48.**

**Assumptions:**

- The proposed legislation will continue an allocation of state sales tax revenue to BRTDDs each year from FY42-43 to FY46-47.
- Current budgetary levels will not be impacted as the majority of this revenue has not been retained by the state for a long period of time. Therefore, the impact of this legislation on state government revenue is considered forgone.
- According to the Department of Revenue, the state sales tax allocation to BRTDDs in FY19-20 was as follows:
  - \$7,867,418 to Bristol.
  - \$2,931,294 to East Ridge.
  - \$546,146 to Kingsport.
- On a 30-year time period, the allocations to Bristol and East Ridge would end in FY42-43 and the allocation to Kingsport would end in FY41-42.
- By extending the period by five years, the foregone state revenue is estimated to exceed \$546,146 in FY42-43, exceed \$11,344,858 (\$7,867,418 + \$2,931,294 + \$546,146) in each FY43-44 to FY46-47, and exceed \$10,798,712 (\$7,867,418 + \$2,931,294) in FY47-48.
- The local revenue loss avoidance is estimated to exceed \$546,146 for Kingsport for each FY42-43 to FY46-47, exceed \$2,931,294 for East Ridge for each FY43-44 to FY47-48, and exceed \$7,867,418 for Bristol for each FY43-44 to FY47-48.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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